

Introduced by Senator Blakeslee

June 14, 2011

Senate Constitutional Amendment No. 12—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 10 and 12 of Article IV thereof, relating to government finance.

LEGISLATIVE COUNSEL'S DIGEST

SCA 12, as introduced, Blakeslee. Government finance.

(1) The California Constitution requires the Legislature to pass, by midnight on June 15 of each year, a Budget Bill for the ensuing fiscal year. The Legislature is prohibited from sending to the Governor for consideration a Budget Bill that would appropriate from the General Fund for that fiscal year a total amount that, when combined with other specified amounts, exceeds General Fund revenues for that fiscal year estimated as of the date of the Budget Bill's passage and set forth in the Budget Bill. In any year in which the Budget Bill is not passed by the Legislature by midnight on June 15, the California Constitution prohibits an appropriation from the current or a future budget to pay any salary or reimbursement for travel or living expenses for Members of the Legislature during any regular or special session for the period from midnight on June 15 until the day that the Budget Bill is presented to the Governor.

The California Constitution creates the office of the Controller, and existing law vests in the Controller specified responsibilities with respect to the fiscal concerns of the state.

This measure would require the Controller, no later than 3 days following the date upon which the Legislature has presented to the Governor the Budget Bill for a fiscal year, to determine whether the

total amount the Budget Bill would appropriate from the General Fund for that fiscal year, when combined with other specified amounts, exceeds General Fund revenues for that fiscal year as estimated by the Controller, and to notify the Legislature and the Governor accordingly. If the Controller determines that his or her estimate of General Fund revenues for that fiscal year is so exceeded, payments of salary and reimbursement for travel or living expenses for Members of the Legislature would be forfeited for the period from midnight on the date of that notification or midnight on June 15, whichever is later, until the Budget Bill has been enacted and the Controller's estimate of General Fund revenues for that fiscal year is no longer exceeded, or, if the Budget Bill has been enacted and that excess has not been eliminated, until the Legislature presents to the Governor one or more bills that would increase General Fund revenues, decrease General Fund appropriations, or both, in an amount that would eliminate that excess. This measure would also prohibit the Budget Bill and other bills providing for appropriations related to the Budget Bill, as defined, from being heard or acted on by a committee or either house until the 3rd day after those bills have been printed and distributed, or otherwise made available, to the Members of the Legislature.

(2) If, following the enactment of the Budget Bill for a fiscal year, the Governor determines that General Fund revenues for that fiscal year will decline substantially below the estimate of General Fund revenues upon which the Budget Bill was based or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the California Constitution permits the Governor to declare a fiscal emergency and require the Legislature to assemble in special session. If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the Governor's declaration of a fiscal emergency, the Legislature is prohibited from acting on any other bill or adjourning for a joint recess until that bill or those bills have been passed and sent to the Governor.

This measure would require the Governor's declaration of a fiscal emergency to specify the amount by which General Fund revenues will decline substantially below the estimate of General Fund revenues determined by the Controller or by which General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both. This measure would also provide that, if the Legislature fails to send to the Governor a bill or bills that address the fiscal emergency by the 45th day following the Governor's declaration of a fiscal

emergency, the actions the Legislature is prohibited from taking include hearing, amending, or voting on any other bill in either house of the Legislature or a committee thereof, except a bill addressing an emergency, as defined, declared by the Governor. In addition, this measure would specify that a bill or bills shall be deemed to address the fiscal emergency only if the bill or bills, if enacted, would increase General Fund revenues, decrease General Fund expenditures, or both, by an amount at least equal to the sum of the revenue shortfall and expenditure increase, as applicable, identified in the Governor's declaration of a fiscal emergency. The measure would require a bill addressing the fiscal emergency to declare the amount by which it would increase General Fund revenues, decrease General Fund expenditures, or both.

(3) The California Constitution provides for the power of referendum, whereby voters may approve or reject statutes or part of statutes, except urgency statutes, statutes calling elections, statutes providing for tax levies, and statutes providing for appropriations for the usual current expenses of the state.

This measure would declare that the Budget Bill and other bills providing for appropriations related to the Budget Bill are subject to referendum.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2011–12 Regular
3 Session commencing on the sixth day of December 2010,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—That Section 10 of Article IV thereof is amended to read:

8 SEC. 10. (a) Each bill passed by the Legislature shall be
9 presented to the Governor. It becomes a statute if it is signed by
10 the Governor. The Governor may veto it by returning it with any
11 objections to the house of origin, which shall enter the objections
12 in the journal and proceed to reconsider it. If each house then
13 passes the bill by rollcall vote entered in the journal, two-thirds of
14 the membership concurring, it becomes a statute.

15 (b) (1) Any bill, other than a bill which would establish or
16 change boundaries of any legislative, congressional, or other

1 election district, passed by the Legislature on or before the date
2 the Legislature adjourns for a joint recess to reconvene in the
3 second calendar year of the biennium of the legislative session,
4 and in the possession of the Governor after that date, that is not
5 returned within 30 days after that date becomes a statute.

6 (2) Any bill passed by the Legislature before September 1 of
7 the second calendar year of the biennium of the legislative session
8 and in the possession of the Governor on or after September 1 that
9 is not returned on or before September 30 of that year becomes a
10 statute.

11 (3) Any other bill presented to the Governor that is not returned
12 within 12 days becomes a statute.

13 (4) If the Legislature by adjournment of a special session
14 prevents the return of a bill with the veto message, the bill becomes
15 a statute unless the Governor vetoes the bill within 12 days after
16 it is presented by depositing it and the veto message in the office
17 of the Secretary of State.

18 (5) If the 12th day of the period within which the Governor is
19 required to perform an act pursuant to paragraph (3) or (4) of this
20 subdivision is a Saturday, Sunday, or holiday, the period is
21 extended to the next day that is not a Saturday, Sunday, or holiday.

22 (c) Any bill introduced during the first year of the biennium of
23 the legislative session that has not been passed by the house of
24 origin by January 31 of the second calendar year of the biennium
25 may no longer be acted on by the house. No bill may be passed
26 by either house on or after September 1 of an even-numbered year
27 except statutes calling elections, statutes providing for tax levies
28 or appropriations for the usual current expenses of the State, and
29 urgency statutes, and bills passed after being vetoed by the
30 Governor.

31 (d) The Legislature may not present any bill to the Governor
32 after November 15 of the second calendar year of the biennium of
33 the legislative session.

34 (e) The Governor may reduce or eliminate one or more items
35 of appropriation while approving other portions of a bill. The
36 Governor shall append to the bill a statement of the items reduced
37 or eliminated with the reasons for the action. The Governor shall
38 transmit to the house originating the bill a copy of the statement
39 and reasons. Items reduced or eliminated shall be separately

reconsidered and may be passed over the Governor's veto in the same manner as bills.

(f) (1) If, following the enactment of the budget bill for the 2004–05 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues ~~upon which the budget bill for that fiscal year, as enacted, was based~~ *determined by the Controller pursuant to subdivision (i) of Section 12*, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency, *shall specify the amount by which General Fund revenues will decline substantially below the estimate of General Fund revenues or by which General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, as applicable*, and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency.

(2) (A) If the Legislature fails to pass and send to the Governor a bill or bills ~~to~~ *that* address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor.

(B) *For purposes of this paragraph, "act on any other bill" means hear, amend, or vote on any other bill in either house of the Legislature or a committee thereof.*

(3) *Notwithstanding paragraph (2), the Legislature is not prohibited, at any time, from acting on a bill that addresses an emergency declared by the Governor. For purposes of this paragraph, "emergency" has the same meaning as set forth in paragraph (2) of subdivision (c) of Section 3 of Article XIII B.*

~~(3)~~
(4) A bill addressing the fiscal emergency declared pursuant to this section shall contain a statement to that effect, *including a declaration of the amount by which the bill would increase General Fund revenues, decrease General Fund expenditures, or both.*

1 (5) *For purposes of this subdivision, a bill or bills shall be*
2 *deemed to address the fiscal emergency only if the bill or bills, if*
3 *enacted, would increase General Fund revenues, decrease General*
4 *Fund expenditures, or both, by an amount at least equal to the*
5 *sum of the revenue shortfall and expenditure increase, as*
6 *applicable, identified pursuant to paragraph (1).*

7 Second—That Section 12 of Article IV thereof is amended to
8 read:

9 SEC. 12. (a) Within the first 10 days of each calendar year,
10 the Governor shall submit to the Legislature, with an explanatory
11 message, a budget for the ensuing fiscal year containing itemized
12 statements for recommended state expenditures and estimated state
13 revenues. If recommended expenditures exceed estimated revenues,
14 the Governor shall recommend the sources from which the
15 additional revenues should be provided.

16 (b) The Governor and the Governor-elect may require a state
17 agency, officer or employee to furnish whatever information is
18 deemed necessary to prepare the budget.

19 (c) (1) The budget shall be accompanied by a budget bill
20 itemizing recommended expenditures.

21 (2) The budget bill shall be introduced immediately in each
22 house by the persons chairing the committees that consider the
23 budget.

24 (3) The Legislature shall pass the budget bill by midnight on
25 June 15 of each year.

26 (4) Until the budget bill has been enacted, the Legislature shall
27 not send to the Governor for consideration any bill appropriating
28 funds for expenditure during the fiscal year for which the budget
29 bill is to be enacted, except emergency bills recommended by the
30 Governor or appropriations for the salaries and expenses of the
31 Legislature.

32 (d) No bill except the budget bill may contain more than one
33 item of appropriation, and that for one certain, expressed purpose.
34 Appropriations from the General Fund of the State, except
35 appropriations for the public schools and appropriations in the
36 budget bill and in other bills providing for appropriations related
37 to the budget bill, are void unless passed in each house by rollcall
38 vote entered in the journal, two-thirds of the membership
39 concurring.

(e) (1) Notwithstanding any other provision of law or of this Constitution, the budget bill and other bills providing for appropriations related to the budget bill may be passed in each house by rollcall vote entered in the journal, a majority of the membership concurring, to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. Nothing in this subdivision shall affect the vote requirement for appropriations for the public schools contained in subdivision (d) of this section and in subdivision (b) of Section 8 of this article.

(2) Notwithstanding any other provision of law or of this Constitution, neither the budget bill nor any other bill providing for appropriations related to the budget bill shall be heard or acted on by a committee or either house until the third day after any such bill has been printed and distributed, or otherwise made available, to the Members of the Legislature.

~~(2)~~

(3) For purposes of this section, “other bills providing for appropriations related to the budget bill” shall consist only of bills identified as related to the budget in the budget bill passed by the Legislature.

(f) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies.

(g) For the 2004–05 fiscal year, or any subsequent fiscal year, the Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill’s passage, and the amount of any General Fund moneys transferred to the Budget Stabilization Account for that fiscal year pursuant to Section 20 of Article XVI, exceeds General Fund revenues for that fiscal year estimated as of the date of the budget bill’s passage. That estimate of General Fund revenues shall be set forth in the budget bill passed by the Legislature.

(h) Notwithstanding any other provision of law or of this Constitution, including subdivision (c) of this section, Section 4 of this article, and Sections 4 and 8 of Article III, in any year in which the budget bill is not passed by the Legislature by midnight on June 15, there shall be no appropriation from the current budget

1 or future budget to pay any salary or reimbursement for travel or
2 living expenses for Members of the Legislature during any regular
3 or special session for the period from midnight on June 15 until
4 the day that the budget bill is presented to the Governor. No salary
5 or reimbursement for travel or living expenses forfeited pursuant
6 to this subdivision shall be paid retroactively.

7 (i) *No later than three days following the date upon which the*
8 *Legislature has presented the budget bill to the Governor, the*
9 *Controller shall determine whether the total amount that the budget*
10 *bill would appropriate from the General Fund, for the ensuing*
11 *fiscal year, when combined with all appropriations from the*
12 *General Fund for that fiscal year made as of the date of the budget*
13 *bill's passage, and the amount of any General Fund moneys*
14 *transferred to the Budget Stabilization Account for that fiscal year*
15 *pursuant to Section 20 of Article XVI, exceeds the Controller's*
16 *estimate of General Fund revenues for that fiscal year, and shall*
17 *notify the Legislature and the Governor accordingly. If the*
18 *Controller determines that his or her estimate of General Fund*
19 *revenues for that fiscal year is so exceeded, there shall be no*
20 *appropriation from the current budget or future budget to pay any*
21 *salary or reimbursement for travel or living expenses for Members*
22 *of the Legislature during any regular or special session for the*
23 *period from midnight on the date of that notification or midnight*
24 *on June 15, whichever is later, until the day that (1) the budget*
25 *bill has been enacted and the Controller's estimate of General*
26 *Fund revenues for that fiscal year is no longer so exceeded, or (2)*
27 *if the budget bill has been enacted and that excess has not been*
28 *eliminated, until the Legislature presents to the Governor one or*
29 *more bills that would increase General Fund revenues, decrease*
30 *General Fund appropriations, or both, in an amount that would*
31 *eliminate that excess.*

32 (j) *The budget bill, and other bills providing for appropriations*
33 *related to the budget bill, are subject to referendum pursuant to*
34 *Section 9 of Article II.*